

APPROVED MINUTES

Housing and Redevelopment Authority in and for the City of Bloomington

1800 West Old Shakopee Road
Bloomington, Minnesota 55431

Tuesday, January 12, 2016
5:30 PM
Dakota Conference Room

- 1 Call to Order** Chairman Thorson called the meeting to order at 5:34 p.m.

Present: Commissioners: Thorson, Fossum, Carlson, Lewis, Coulter
Staff: Grout, Hartman, Sevig, Lee, Zimmerman
Guests: Carla Pederson, McGrann Shea Carnival Straughn & Lamb Chartered
Ryan Dunlay, StuartCo.
Keith Ulstad, United Properties
- 2 Approval of Agenda** M/Lewis, S/Coulter to approve the agenda. Motion carried, 5-0.
- 3 Approval of Minutes**

 - 3.1 Approval of Minutes - December 8, 2015** M/Fossum, S/Lewis to approve the minutes of the December 8, 2015 HRA meeting. Motion carried, 5-0.
- 4 Unfinished or Organizational Business**

 - 4.1 Administer Oath of Office to Nathan Coulter** Commissioner Coulter was reappointed to the HRA Board by City Council at their January 4, 2016 meeting. His term will expire December 31, 2020.

Thorson administered the oath of office to Coulter.
- 5 New Business**

 - 5.1 Approval – Resolution Determining the Need to Acquire Land at 8735 Emerson Ave. S.** Hartman explained that staff was made aware of a blighted property for sale at 8735 Emerson Avenue South. The assessed value is \$152,700 and staff has negotiated a purchase price of \$100,000. Demolition costs are estimated at \$25,000. If approved, demolition would begin in the spring and the house would then be added to the HRA's list of properties for sale.

M/Coulter, S/Carlson to approve the Resolution Determining the Need to Acquire Land at 8735 Emerson Avenue South using HRA Redevelopment funds. Motion carried, 5-0.

**5.2 Penn American District
Peerless Land
Company Proposal**

Grout introduced Carla Pedersen, HRA legal counsel, Ryan Dunlay from StuartCo. and Keith Ulstad from United Properties, developers for the proposed Phase III redevelopment of the Penn American District.

Grout gave an overview of the development which includes four Peerless Land Company parcels the developers are proposing to purchase for \$8 million. He stated staff and the developers, along with their respective legal counsel, have met to discuss possible assistance from the HRA to purchase two of the parcels in order to meet the closing deadline of February 1, 2016. Staff is seeking the HRA Board's approval to work with legal counsel to draft a Pre-Development Agreement which would allow the closing to take place by the deadline. Grout indicated there are many details to be worked out at this time but those would be included in the formal development agreement.

Dunlay presented proposed plans for the development which showed 250 units of affordable and market-rate rental housing as well as a hotel or similar district-friendly building.

Discussion included storm water management, possible tax increment financing for the site, the future metro transit orange line, and potential consequences if the closing deadline is not met.

Pedersen explained that the Pre-Development Agreement would allow the developer and HRA to move forward and purchase the site. It would set forth agreed upon pre-development activities such as funding for site preparation, remediation and creation of tax increment financing districts and lay out the preliminary development plan and proposed project. The Agreement has contingencies that if not met would allow the HRA to require the developer to transfer the parcels to the HRA. The deadline for the full Development Agreement would be on or before February 1, 2017.

(Coulter left the meeting at 6:30 p.m.)

Grout also presented a budget showing potential costs and fund balances for each scenario. A draft of the Pre-Development Agreement will be sent to the Board when it is available.

M/Lewis, S/Carlson to move forward with drafting of the initial development agreement for Penn American Phase III. Motion carried, 4-0.

5.3 Action Items

None.

6 Adjournment

M/Lewis, S/Carlson to adjourn the meeting. The meeting adjourned at 6:56 p.m.